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SUBJECT: GOVERNMENT \$144M IN ARREARS ON WAR BONUSES,  
POSSIBLY AFFECTING MILITARY MORALE

REF: ABIDJAN 1111

¶1. (SBU) While the payment of regular salaries is current for both civil servants and military personnel (which includes the FANCI, the Gendarmerie and the National Police) as of October 31, 2006, according to sources within the Ministry of Defense, the Government of Cote d'Ivoire is 12 months or USD 144 million (CFA 72 billion) in arrears for the payment of "war bonuses" which have been accruing since September 2004. The scheduled payment should be USD 12 million (CFA 6 billion) per month on war bonuses, but in reality the war bonus payment is always partial and usually 15 days late.

¶2. (SBU) So-called "War Bonuses" are ostensibly paid semi-monthly to all military personnel, including the FANCI, the National Police and the Gendarmerie, as a reward for their service during a time of war. Front line troops are paid \$360 monthly, while non-front-line troops earn \$180. However, budgetary pressures on the Treasury have resulted in the reduction of the bonus by 50% (hence the arrears). "New Recruits," those recruited after August 2002 specifically to serve for the war effort, were paid only the war bonus, not a regular salary, and in practice were receiving very small amounts, if anything, given the arrears. As of March 2007, the government plans to pay these new recruits a net salary of USD 200 per month rather than the war bonus.

¶3. (SBU) Housing - The National Police, FANCI and the Gendarmerie are allotted a rent allowance by the government as part of their salary package. The government is committed to paying rent allowances on a quarterly basis, but due to administrative processing delays landlords do not normally receive the money for at least two months after the close of the quarter and the delays are causing a steady accumulation of arrears - for the police, rent arrears for July, August and September 2006 amounted to USD 3 million (CFA 1.5 billion). Lieutenant Colonel Richard Yapi, Assistant Director of Finance at the Ministry of Defense, claims that the government does not owe any rent arrears to the military or the Gendarmerie, but he does acknowledge that there are some administrative delays.

¶4. (SBU) Comment: The growing accumulation of arrears in war bonuses and housing payments is fueling frustration among the military rank and file as evinced by the recent takeover of Plateau bridges by new Gendarmerie graduates (reftel). It is a problem that President Gbagbo and his supporters will have to keep an eye on as they can ill afford an erosion of their support among the security forces. End comment.

Hooks